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FEB 13 1941
RECEIVED
WAR DEPARTMENT
EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA

CONFIDENTIAL

February 13, 1941.

6514.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political. - for brevity use Report #6502, Feb. 5, 1941, as a basis.

Reliable source states:

- (1) Army bloc, headed by ex-Minister of War Carlos D. Marquez, recently appointed major general and assigned Quartermaster General, is being organized and believed to be in support of President Ortiz (Radical).
(2) Army bloc, headed by ex-President (General) Justo, is forming to support Acting President Castillo (Conservative). Rumor is that Justo has warned Ortiz not to endeavor to return to office, and that sources close to Ortiz state Justo will be silenced or banished if Ortiz resumes Presidency.
(3) Navy bloc, headed by Admiral Abel Renard, retired, is forming to influence the political maneuvering. It is my guess that this bloc will join with Justo against Ortiz because Ortiz appointed Scasso as minister of marine over his senior, Renard.

I am informed that the three groups state in confidence that they have no intention of staging a revolution but are forming in the event that any other group makes a move against democracy.

The principal portfolios of the national cabinet are still vacant (Foreign Affairs and Finance) following the recent resignation of those ministers.

Congress and the Acting Executive continue at odds; Congress, on the part of the Radical representatives, refusing to pass any legislation until something is done about the alleged fraudulent provincial elections in Santa Fé and Mendoza.

Two nights ago, February 11th, President Ortiz sent to the Acting President and gave to the press a lengthy message to the nation, stressing that public clamor over the political situation forced him to speak at this time. Dressed in typical and ambiguous political language, the message condemned the recent provincial election frauds, the Acting President for inactivity, provincial political leaders, petty politics, individual self-aggrandizement at the expense of the welfare of the nation, and Congressional lack of legislation.

However, President Ortiz failed to make a definite statement as to when or if he would reassume the presidency. He has the patience to wait, and his timing and political sagacity are of the highest order. A few days ago President Ortiz, for the first time since his retirement seven months ago, emerged from the presidential residence and took an automobile ride with members of his family. I believe a walk will come next, followed, at the psychological time, by a ride to the Casa Rosada.

2. Economic Conditions.

Economically, Argentina is in a chaotic state and will become more so before there is an improvement.

The budget deficit in 1940 was 150,000,000 pesos, and it is estimated 260,000,000 pesos for 1941 (exclusive of the proposed expenditures for rearmament).

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BC
Bm.

A deficit in Argentina is a more serious problem than in the United States because Argentines have not a proportional national wealth, it is a pastoral country depending upon exports and imports for revenue (customs), nationally extravagant, and, due to graft, people must pay more than actual cost for everything which is purchased.

The chief exports are agricultural - corn, wheat, barley, linseed, meat, hides and wool. Forty per cent of the normal foreign markets are now closed due to the war; 6,500,000 tons of last year's maize crop was purchased by the government (to save the farmers) and is in storage; the government has given assurances that it will purchase the coming crop (with money expected from the United States "mine"), which will entail an estimated loss of at least 160,000,000 pesos.

The government is trying to force large industries to burn corn in order to relieve the storage and deterioration problems, to recover a portion of the grain subsidy, and to cut down fuel imports.

Overseas steamship movements during 1940 were the lowest in 20 years.

General conditions in December 1940 were better than in the preceding month, which may be attributed to holiday buying and to the assurance of financial assistance from the United States.

The Minister of Finance (later resigned) declared recently: "Argentina is facing a situation more serious than that confronted in 1932 when there were 350,000 unemployed workers in the country"

The government does not dare to take an accurate census or publish correct unemployment statistics. Critica, a reliable newspaper, stated in September 1940 that 300,000 laborers were unemployed at that time; there had been a marked retrenchment in public works caused by "lack of materials" but in reality it is lack of funds; practically all industries in the Federal Capital, which is the industrial center of the nation, have decreased payrolls from 10% to 20%. Some estimates place unemployment in the Federal Capital and barrios as high as 350,000 but I believe that 200,000 would be nearer the correct figure. (The Federal Capital and adjacent barrios include at least 25% of the national population which is about 13,000,000).

It is estimated by competent authorities that the city of Buenos Aires needs 50,000 workmen's homes to take care of the population now living in squalor. A high percentage of the labor in Buenos Aires live in one room which serves as kitchen, bed and living room for several people. Official figures state that there are 33,768 shacks put together from wood and zinc in the Federal Capital and that these house an estimated population of 124,199 persons (66,476 adults and 57,723 children).

The Standard Oil Company (Argentina) predicts (confidentially) that 1941 sales will not exceed those of 1940. I believe this is a good business index as fuel is used in the home for pleasure and business.

In an agreement signed two days ago between Argentina and Bolivia, I understand that Argentina has agreed to furnish Bolivia with 2,000,000 pesos for well-drilling, etc., on the land recently expropriated by Bolivia from American oil companies. This looks as if Argentina may force American companies to buy this oil when the Argentine portion of the proposed pipe line is constructed. Where will Argentina get this money?

3. Loyalty of Armed Forces.

The Argentine Army and Navy, regardless of reports to the contrary, are overwhelmingly pro-Nazi and pro-Fascist. It is my conviction that the only reason our missions have been continued are: first, political expediency; second, loans and equipment may be forthcoming from the United States.

The army officers are loyal to the existing government because it is to their personal advantage to be so. This does not mean that they are above engaging in political scheming on the side; Argentines are opportunists. However, the officers are highly and regularly paid, they don't work very hard or for long, are

assured the annual vacation of at least a month plus all church and national holidays, and generous retirement benefits.

The enlisted personnel is impotent as they have just been conscripted and have received no training.

4. Subversive Activities.

Argentina is ideally suited for the propagation of subversive activities because the country is made up of large foreign elements which have never been assimilated. It is certain that this government has no accurate figures showing what proportion of its citizens are native-born, number naturalized, and number which are illegally within the country. There has been no census taken for the entire country since 1914, so estimates of the total population are made yearly from vital statistics and from the number of arrivals and departures by international trains, river and ocean steamers.

Foreigners generally group for residence, business, social activities, etc., so are naturally thrown into favorable position for intrigue, and control by their respective governments. Propaganda and subversive activities are winked at by local authorities until they become so flagrant that the government is forced to take action, which is done with a flare of publicity and is then allowed to die down. I cannot recall one case in which a person arrested for subversive activities has been sentenced to jail or to pay a fine. There is a law called the law of "residencia", under which foreigners found by the police to be inimical to the interests of the country may be deported, and this has been invoked on several occasions against foreign labor agitators.

It has been variously estimated that the German government employs in Argentina at least 1,000 fulltime agents besides exercising control over an unknown number of Italian, Japanese, Russian, Ukrainian, French, English and other nationals.

Nazi-Fascist propaganda is passed out to the masses primarily by radio and the newspapers El Pampero and Crisol. In past months England was the subject of attack from this source but now attacks from this source are being aimed at the United States as well.

England has a bureau of propaganda located in Buenos Aires which feeds suitable subject matter to the local press and to newspapers in the interior.

The German Embassy continues to circularize officers of the Argentine army and navy with the daily Nazi propaganda received by radio from Berlin.

To what extent the Nazis have burrowed into the Argentine government departments is not accurately known, but it has been specifically reported that the secretary of the Acting President, two male secretaries of Pedro Castells, sub-secretary of the interior, (and I believe Castells himself has been reached in one manner or another due to his recent change of attitude), twenty-two members of the staff of the Foreign Office and the Department of the Interior, six senators and seven members of the Chamber of Deputies are in German pay.

5. General Stability.

Basically, Argentina is sound and would be able to lessen the economic shock of the European War if the politicians would stop scheming, cease talking, and act, forgetting personal animosities and ambitions during this critical period.

The President seems to be doing everything possible to weaken the position of the Acting President and to destroy any semblance of respect for, or confidence in, the present Government. His most recent message was addressed: "To the Argentine people: In a period of confusion....." etc. It went on to state that when he was in office and when the executive power was handed over to the Acting President conditions such as now plague the country and threaten its political freedom etc. did not exist.

While various interpretations have been given to his lengthy statement seems logical to conclude that his wish to resume office comes from a desire the masses of the people demand it and he is compelled to obey. If this comes

to pass, he will have a presumed mandate to: clear the Government of all political enemies, destroy any influence Justo may have, be powerful enough to govern by decree if the legislative branch does not cooperate, gain control of all provincial governments, dictate the selection of his successor, and have virtual dictatorial powers if he desires.

Yesterday the Socialist Party, a strategic minority, addressed an open letter asking that he return to the Casa Rosada at once if his health would permit.

The general stability of Argentina depends upon the future action of one man: Ortiz. I have received word through a personal friend of the president that on Thursday last he stated: "I will return to Casa Rosada if I have to be carried to die at my desk".

In my opinion the unemployment problem should not have any serious repercussions, because the standard of living of the masses is very low, and meat, corn and grains are cheap and plentiful. However, unemployment is a powerful political weapon in the hands of the opposition.

The deficit is serious but not vital except as a political issue to inflame the minds of the people. Argentina is wealthy among South American Republics.

I believe that Argentina could exist for many years in relative comfort under the present economic circumstances if they would tighten their belts, get down to realities, and put an end to political squabbles.

This report of conditions in Argentina should logically be grouped under one heading: political. The army is divided because they entered politics in 1930, the economic and financial chaos is due in a major part to politics, the failure to suppress subversive activities is due to politics, and unquestionably this period of national uncertainty is due to partisan politics of the basest order.

It is possible but improbable that any faction will resort to armed action and if so it will be very mild. The Argentine does not like anything messy and has no stomach for a revolution. The man on the street has been whipped up to a high degree of resentment against the government and upon the slightest excuse will launch into a tirade about those in power. If Justo submits to Ortiz, conditions will adjust themselves readily as the present crisis is basically a political quarrel between two factions, Conservatives and Radicals, more specifically, a personal contest between two men: Ortiz and Justo.

CONCLUSION

The chaotic situation boils down to a desire and need of the Argentine people to be led.

It is my conviction that if the United States would realize that these people are not our equals and would stop treating them as such and tell them what to do and when to do it, then their and our existence would be happier.

In this instance, if the United States would inform Argentina in a direct manner to put a stop to this political fracas and restore order to their house as such a situation is breaking down the semblance of hemispheric solidarity, the whole matter would rapidly adjust itself.

The Latin takes kindness as weakness. They admire strong men (hombres fuertes) and governments that act in a direct and forceful manner.

Responsible citizens and officials have given as their considered opinion that "if General Marshall would take over the direction of Latin American affairs the desire of President Roosevelt for a solid American bloc would be speedily realized."

As directed, these are my views without reservations.

M. A. Devine, Jr.
M. A. Devine, Jr.,
Colonel, G.S.C.,
Military Attaché.

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

3-1 MAR. 4 1941
CHIEF OF STAFF
MIL. INTEL. DIV.
2657-21-141
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WAR DEPARTMENT *fu*

CONFIDENTIAL

February 20, 1941.

6526.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D.C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. No change.

M. A. Devine, Jr.
M. A. Devine, Jr.,
Colonel, G.S.C.,
Military Attaché.

CONFIDENTIAL

B.C.

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

February 28, 1941. MAR 1 1941

6535.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D.C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

Conditions appear to be static, and all obvious political maneuvers were suspended during the Carnival just ended.

President Ortiz conferred Thursday with the ex-Minister of War, General Carlos D. Marquez, subject: unknown.

2. Economic.

No change. Prominent Argentine attorney close to Administration advises:

(a) Argentina will take over interned ships now in her ports but will do it in a more delicate way than did Chile;

(b) That trade relations are now better between the United States and Argentina.

(c) That the "Prebisch Loan and Stabilization Fund" will be approved by both Houses of Congress, but approval may be delayed.

(d) That the sale of the corn surplus is the only really vital economic problem now confronting Argentina.

3. No change.

4. No change.

M. A. Devins, Jr.
M. A. Devins, Jr.,
Colonel, G.S.C.,
Military Attaché.

EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA

3-1
MAR 18 1941
OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
2657-L-141
4
WAR DEPARTMENT *dur*

March 7th, 1941.

CONFIDENTIAL

6542.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

2657
1. Political.

Conditions are in a most confusing state. On Saturday last it was learned from three reliable sources that President Ortiz would return to office, and this was confirmed personally by the undersigned the following day through the legal adviser of a Cabinet Minister. Now, six days later, it appears that President Ortiz will not return to office.

A meeting will be held today by the leaders of the Radical Party, in which it is stated steps will be taken to impeach Acting President Castillo. It is not believed that the impeachment can be consummated because the Senate, which is the constitutional body designated to try an impeached officer, is overwhelmingly conservative. The intolerable situation is fast reaching a climax; neither side seems inclined to compromise with the other. Conditions are present favorable to a coup d'état, or a seizure of the government by either party, but I doubt that a revolution will take place.

Colonel Trotz, Commander of the presidential bodyguard, was removed from command this week for engaging in conversations with President Ortiz without consulting the Minister of War. The Minister of Interior has removed practically all - if not all - of the guards which surrounded the President's residence, giving as an excuse that the crime wave requires that they be employed on patrol duty, and that there is a Police Station within one block of the presidential residence. It may be concluded from this that the Conservative Minister is trying to lower the prestige of the President and see how far he can go; or it may be that they have definitely decided that the President cannot reassume office.

2. Economic.

No change.

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CONFIDENTIAL.

6542.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.

M. A. Devine, Jr.
M. A. Devine, Jr.,
Colonel, G.S.C.,
Military Attaché.

CONFIDENTIAL.

*Copies retained
for file
W.H.T.*

EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA

CONFIDENTIAL March 14th, 1941.

6551.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

With the appointment yesterday by decree of Dr. Carlos Alberto Acevedo as Finance Minister and Dr. Enrique Ruiz Guiñazú as Minister of Foreign Affairs, the political situation seems to have improved - especially since neither of these two officials has any definite party affiliations; so it appears that Acting President Castillo is now steering a middle-of-the-road course.

Because of the state of Dr. Ortiz' eyesight it is also expected that the Radical Party will give up hope of his return to office in the immediate future and will cooperate with the government forces in passing necessary legislation now before Congress.

2. Economic.

During the past few weeks, the political chaos has also resulted in the weakening of the Argentine peso, which dropped more than fifteen (15) points to one hundred American dollars (\$100.00). It is believed now with the possibility of Radical cooperation in Congress, especially for the ratification of the \$110,000,000 loan from the United States, that there will be a decided strengthening of the Argentine peso in relation to the dollar.

The important economic development in the past week is the reported shipment of large quantities of cotton and maize to Spain. Following the reports of Spanish orders for large shipments of cotton (which are believed to be destined for Germany), a report was published here this morning that negotiations are in progress for the purchase of 400,000 tons of maize to be shipped to Spain also. These cargoes are being carried in Spanish ships.

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CONFIDENTIAL

6551.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.

M. A. Devine, Jr.
M. A. Devine, Jr.
Colonel, G.S.C.,
Military Attaché.

CONFIDENTIAL

EMBASSY OF THE UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA

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CONFIDENTIAL

March 26, 1941.

6564.

RECEIVED G-2 W.D. MAR 27 1941

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

No change.

2. Economic.

No change.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.

M. A. Devine, Jr.
M. A. Devine, Jr.
Colonel, G.S.C.,
Military Attaché.

CONFIDENTIAL

H.C.

CONFIDENTIAL

UNITED STATES LEGATION
OFFICE OF THE MILITARY ATTACHE
MONTEVIDEO, URUGUAY

2657-N-377

APR 6 1941
WAR DEPARTMENT

March 26, 1941.

No. 232.

Subject: Information.

To: A.C. of S., G-2, War Department, Washington, D.C.
RECEIVED G/2 W. D. APR 2 1941

1. Report submitted in compliance with your letter, above subject, file G-2/2657-277, dated January 21, 1941.

2a. Political Stability.

The resignations of the three Blanco-Herrerista members of the Cabinet were accepted and the vacancies filled ad-interim by other Cabinet members, in addition to their regular portfolios, as follows: Ministry of Public Works to Minister of National Defense, General Julio A. Roletti; Ministry of Industry and Labor to Minister of Agriculture, Ramon F. Bado; and Ministry of Public Instruction and Social Welfare to Minister of Public Health, Juan C. Mussio Fournier. (See letter No. 225, March 19, 1941.)

In accepting the resignations President Baldomir pointed out that the Blanco-Herreristas had failed to co-operate with the government not only in the election of the President of the House, but also in the matter of the Bases, (hemisphere defense), in the matter of the visit of the Argentine delegation which came to Montevideo in December 1940, and in certain appropriation measures which came before Congress. (See par. 2a. letter report No. 204, February 19, 1941; Report No. 172, I.G. 3020, and Report No. 189, I.G. 3020, par. 2c.) On these issues the President bases his claim that the Blanco-Herreristas refuse to participate in the government by refusing to cooperate.

The Colorado Party had a meeting yesterday and read their dissenting members, on the vote for President of the House, out of the party.

The Blanco-Herreristas claim that the President is not justified under the Constitution in depriving their party of its members in the Cabinet, and that the party has not refused to participate in the government.

The political situation remains today in a rather unsettled condition.

b. Economic Conditions.

No change.

c. Loyalty of Armed Forces.

No change.

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B.C.

~~CONFIDENTIAL~~

d. Subversive Activities.

It is reported that there have been increased movements of Germans around the country recently, and this may indicate preparations for increased activities on their part.

The Japanese have also been observed to be much in evidence in Montevideo and vicinity during the past few weeks. It is estimated that there are not more than 40 Japanese in Uruguay and it appears that their interest is commercial, particularly in purchasing wool, scrap iron, tin cuttings, etc. However, they may be playing with other totalitarian representatives.

The Legation submits a periodic report to the State Department, which might be of interest to M. I. D. The last one is Report No 830, dated March 15, 1941. Subject: Nazi, Fascist and other totalitarian activities in Uruguay for the months of January and February 1941.

e. General Stability.

Although the political situation is unsettled, it does not appear to have affected the general stability of the government. Should a situation develop from the political intransigency that seriously endangered its stability, it is the opinion of the undersigned that President Baldomir would give this Congress a permanent vacation and establish a dictatorship.

John A. Weeks
John A. Weeks,
Lt. Col. (Cav.), G. S.,
Military Attache.

~~CONFIDENTIAL~~

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

APR 28 1941
OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2657-L-141
9
WAR DEPARTMENT

CONFIDENTIAL

April 18, 1941.

6588.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

RECEIVED G-2 APR 26 1941

1. Political.

During the present week a bill was introduced in Congress providing procedure through a change in the Constitution whereby in case of the incapacity of a president to perform his duties a majority in Congress could elect the vice president as his successor. Since last July President Ortiz through illness has been unable to exercise the functions of his office and it is now stated (in Congress and the press) that his eyesight is such that he is unable to read and hence would never be able to resume office. In the meantime he has not resigned, has been in almost daily touch with political leaders, is not in sympathy with much of the aims of the Acting President, so there have been really two presidents which has resulted in an impasse. The situation is likened in the local press to that in the United States at the time of President Wilson's illness.

2. Economic.

No change.

3. Loyalty of Armed Forces.

Charges were made in the Chamber of Deputies on April 16th that a coup d'etat was planned for last August under the leadership of General Carlos Marquez, then Minister of War. Deputy Osorio in making the charges said that several loyal army units had been deprived of ammunition on that occasion and that General Marquez had sent to the city police a list of high officers to be arrested.

4. Subversive Activities.

No change.

5. General Stability.

No change.

John W. Lang
John W. Lang,
Colonel, Inf.,
Military Attaché.

CONFIDENTIAL

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

APR 16 1941
OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2657-L-141
7
WAR DEPARTMENT

CONFIDENTIAL

April 4, 1941.

6573.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D.C.
(Ref. G-2/2651-277, Jan. 21, 1941).

RECEIVED G/2 W.D. APR 16 1941

1. Political.

The Congressional representatives of the Radical Party who have been abstaining from attending sessions and thus hindering legislative action on all matters have been instructed by the party leaders to get to work with the Government. This means that, after the Easter Holidays, action will probably be taken on the budget for 1941 and on the \$110,000,000 loan from the United States.

2. Economic.

The new Budget Bill for 1941 submitted to Congress this week estimates an expenditure of \$1,110,976,193 Argentine pesos, including \$259,390,002 for debt services. As revenue is estimated at only \$786,733,600 this would indicate a deficit of more than \$324,000,000 but the government plans to make a saving of at least \$50,000,000 so the estimated deficit, so states the bill, will be a mere \$274,000,000. New taxation is planned.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.

M. A. Devine, Jr.
M. A. Devine, Jr.,
Colonel, G.S.C.,
Military Attaché.

CONFIDENTIAL

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

2657-L-141
APR 25 1941
WAR DEPARTMENT SC

CONFIDENTIAL

April 11, 1941.

6582.

Subject: Information.

RECEIVED APR 25 1941

To: A. C. of S., G-2, War Department, Washington, D.C.
(Ref. G-2/2651-277, Jan. 21, 1941).
2657

1. Political.

No change.

2. Economic.

No change.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.

John W. Lang
John W. Lang,
Colonel, Inf.,
Military Attache.

CONFIDENTIAL

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

APR 28 1941
OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
2657-L-141
9
WAR DEPARTMENT

CONFIDENTIAL

April 18, 1941.

6588.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

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2. Economic.

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3. Loyalty of Armed Forces.

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4. Subversive Activities.

No change.

5. General Stability.

No change.

John W. Lang
John W. Lang,
Colonel, Inf.,
Military Attache.

CONFIDENTIAL

6604.

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

OFFICE CHIEF OF STAFF
INTEL. INTR. DIV.
MAY 7 1941
JWL/w
WAR DEPARTMENT

CONFIDENTIAL

April 25, 1941.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

RECEIVED G/2 W. D. MAY 6 1941

1. Political.

In connection with the statements made under this head in dispatch #6588, April 18th, it was brought out in the Senate on April 24th by Senator Arrieta(National Democrat) that medical reports were to the effect that President Ortiz is completely blind in his right eye and that his left enables him to see objects only in a vague manner. Under these circumstances developments can be looked for in the near future, and with the Justo "ring" now in control the cleanup in elections which was being carried out by President Ortiz will come to an end.

2. Economic.

Acting President Castillo in a press interview during the past week announced that there would be no "new" taxes levied in an attempt to meet the prospective deficit of 370 million pesos for 1941. However, a bill has been introduced in Congress by the Government to levy an excess profits tax ranging from 10 to 30 per cent payable on all profits above 8% per annum for a period of three years. It will not be applicable to concerns operating with a capital of less than 100 thousand pesos or earning a profit not exceeding 8,000 pesos per annum.

3. Loyalty of Armed Forces.

General Carlos D. Marquez, former Minister of War and now Quartermaster General, replied to the charges(mentioned in April 18th "Information") that he planned a coup d'etat last August. He said it was hard to imagine how anyone could believe that a professional soldier could plan such a step "with a reduced force of small efficiency in combat as was the National Gendarmerie." As to the charge of graft in the forage mill at El Palomar and the barracks built for the gendarmes he said in his written answer that these had already been investigated and given a clean bill. He then replied to charges as to his wealth, saying that he owned two houses and was paying for them on installments.

4. Subversive Activities.

No change.

5. General Stability.

No change.

WAT
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Colonel, Inf.

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BUENOS AIRES, ARGENTINA.

RECEIVED
2657-2-14/1
11
WAR DEPARTMENT
JWL/W

May 2, 1941.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2657-277, Jan. 21, 1941).

RECEIVED G-2 W.D. 5/2/41

1. Political. There is some doubt as to when Congress will be called for the regular session which should open early this month at the call of the Executive. The special session closed April 30th with no accomplishments to its credit - it did not even vote a budget for the year 1941 which was the principal reason for its existence. A few days before the end of the session, Acting President Castillo, supported by members of the Cabinet, issued a decree continuing in effect the budget of 1940. He threatened some weeks ago to govern by decree unless Congress settled down to work instead of indulging in political quarrels. It is quite likely that a decree will be issued approving the \$110,000,000 dollar credits from the United States about which Congress took no action.

2. Economic. The Government has presented a new income tax bill to Congress which will make some radical changes in the present law. All new issues of national bonds will be taxable and incomes over \$5,000 pesos will pay a surtax of 2% besides the base tax of 3% up to \$10,000 with gradual increases until incomes of one million pesos will pay 22%. No tax will be levied on farmers whose land is valued at less than 30,000 pesos nor on those leasing land at a rental up to \$3,000 pesos per year.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.

John W. Lang
John W. Lang,
Colonel, Inf.,
Military Attaché.

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B.C.

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BUENOS AIRES, ARGENTINA.

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3-1
MAY 18 1941
OFFICE CHIEF OF STAFF
MIL. INTELL. DIV.
2657-2-141
12
JWL/W WAR DEPT. SECRET

May 9, 1941.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2657-277, Jan. 21, 1941).

RECEIVED G/2 W. D. MAY 17 1941

1. Political.

Congress is to be convened in regular session on May 21st at which time Acting President Castillo in his message will again state Argentina's position of neutrality in the present world conflict. Leaders of the powerful Radical Party have agreed that their representatives in Congress are in future to cooperate with the Government in passing much needed legislation.

2. Economic.

The bill passed by the Chamber last year and by the Senate a short time ago (previously reported) appropriating \$647,000,000 pesos for the purchase of armament for the army - doubtless all of it in the United States - was promulgated by the Government yesterday (May 8th). Details of the provisions of the bill are secret as has been the case in previous armament purchases. However it is believed that much aviation material is to be bought and equipment for the manufacturing arsenals. In the near future a bill for naval armament purchases will be introduced in Congress.

3. Loyalty of Armed Forces.

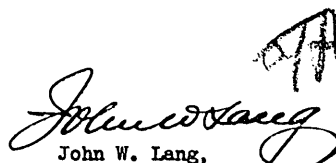
No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.


John W. Lang,
Colonel, Inf.,
Military Attaché.

W.H.T.

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6641.

3-1
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BUENOS AIRES, ARGENTINA.

OFFICE CHIEF OF STAFF

MIL. INTELL. DIV.

2657-2-141

WAR DEPARTMENT

JWL/W

May 16, 1941.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2657-277, Jan. 21, 1941).

RECEIVED G-2 W. D. MAY 27 1941

1. Political.

Following its decision a week ago (reported May 9th) that its representatives in Congress should cooperate with the Government in passing necessary legislation, the Radical Party this week at its national convention went on record as against all Totalitarian regimes and voted an expression of sympathy with those who are fighting against Nazism and Fascism. The convention affirmed its faith in the democratic form of government, called for inter-American understanding, common defense, and Argentina's neutrality as long as national integrity and sovereignty were not threatened.

There is considerable speculation in political circles over the announcement made late yesterday (May 15th) by the Minister of Interior to the effect that legislation was being prepared for submission to Congress when it convenes late this month "for the defense of the democratic system and our institutions". In Argentina, the Minister of Interior is responsible for public order and this proposal of law may mean that the Government is to take drastic steps against extremists, either of the Right or of the Left.

2. Economic.

No change

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.

John W. Lang
John W. Lang,
Colonel, Inf.,
Military Attaché.

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BUENOS AIRES, ARGENTINA.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2-1 2657-2-141
JUN 14 1941
JWL/W WAR DEPARTMENT
mm

May 23, 1941.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

RECEIVED 6/2 W. D. JUN 3 1941

1. Political.

Pending the opening of the regular session of Congress next week, May 28th, there is a lull in all political circles. The message of the Acting President is awaited with much interest in all circles. It is expected that this will urge Congress to vote the 1941 budget which received no action in the special session ending last month due to the Radical Deputies refusing to attend sessions. The question of taking over interned ship tonnage to relieve the acute shortage which is holding up exports is also likely to be discussed in the message, as is also a revision of the tax structure.

2. Economic.

No change.

3. Loyalty of Armed Forces.

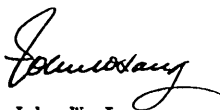
No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.


John W. Lang,
Colonel, Inf.,
Military Attaché.

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BUENOS AIRES, ARGENTINA.

JUN 16 1941
OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
JUN 16 1941
WAR DEPARTMENT
JWL/W

May 30, 1941.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

RECEIVED G/2 W.D. JUN 13 1941

The message of Acting President Castillo to Congress at the opening of the regular session on May 28th appears to have been a big disappointment in all circles. None of the editorial comment in the local press was eugolistic, on the contrary it was declared a "cold" message which did not point the way to the solution of any problems. The "strict neutrality" phase of the message did not receive any applause from the Argentine public but may have pleased the German Embassy and Nazi sympathizers.

2. Economic.

No change.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

No change.

5. General Stability.

No change.

John W. Larig
John W. Larig,
Colonel, Inf.,
Military Attaché.

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3-1
JUN 18 1941
JWL/W
16
WAR DEPARTMENT
2772

June 6, 1941.

Subject: Information.

RECEIVED G/2 W. D. JUN 18 1941

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G/2/2651-277, Jan. 21, 1941).

1. Political.

No change.

2. Economic.

No change.

3. Loyalty of Armed Forces.

The Minister of War has started an investigation into the conduct of two officers of the Air Corps, Lieutenant Daniel Enciso and Sub-Lieutenant Ricardo Vargas, who are reported to have been among the speakers and supporters of a "Nationalist" meeting held in Villa Mercedes, Córdoba, a few days ago and during which the Argentine Constitution was referred to as an "infamous rag." Invitations were issued to the students of the secondary college and to the general public which stated that the meeting was to "discuss matters of general interest." These "matters" were attacks on democracy.

4. Subversive Activities.

No change.

5. General Stability.

No change.

John W. Lang
John W. Lang,
Colonel, Inf.,
Military Attaché.

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UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

JUN 20 1941
OFFICE - CHIEF OF STAFF
MIL. INTEL. DIV.
JUN 20 1941
JWL/W

June 13, 1941.

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

RECEIVED G/2 W.D. JUN 21 1941

1. Political.

Dr. Ruiz Guiñazú, late Argentine Ambassador to the Holy See, arrived back in Buenos Aires this week to take up his new duties as Minister of Foreign Affairs. Press and public are awaiting some statement from the new minister on foreign relations, especially as to this country's solidarity with the other Americas on hemispherical defense.

2. Economic.

No change.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

On June 11th the Chamber of Deputies voted 68 to 16 to call in the Minister of Interior for an explanation as to just what the government is doing or plans to do in curbing Nazi and Fascist propaganda and activities in this country. The Minister will be questioned on June 18th.

5. General Stability.

No change.

John W. Lang
John W. Lang,
Colonel, Inf.,
Military Attaché.

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BUENOS AIRES, ARGENTINA.

3-1
1941
JWL/W
100
WAR DEPARTMENT
18
ju

June 20, 1941.

Subject: Information.

REC'D-G-2 JUL 3 - 1941

To: A. G. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

No change.

2. Economic.

No change.

3. Loyalty of Armed Forces.

The two officers of the Air Corps who took part in the "Nationalist" meeting at Villa Mercedes, Córdoba, (reported in Information June 6) have been transferred to other posts as a disciplinary measure. Three captains and three lieutenants are reported in the press to have been arrested by the police while at a meeting with civilians in a building where Nazi propaganda was found (see Subversive Activities).

4. Subversive Activities.

Following the interpellation of the Minister of the Interior by the Chamber of Deputies this week (see Information June 13) the Chamber decided, with only one dissenting vote, to start its own investigation into anti-Argentine activities. The investigating committee has been named and will start work at once. The Minister of Interior admitted under questioning in Congress that there was a considerable amount of subversive action going on and suggested additional laws by Congress to give the Government more power. To handle Communist agitators the Government has invoked the Law of Residence on several occasions and deported them but does not seem to think that this is applicable in the present instance.

5. General Stability.

No change.

John W. Lang
John W. Lang,
Colonel, Inf.,
Military Attaché.

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BUENOS AIRES, ARGENTINA.

1941
JUL 8 21 11 / 11
OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
WAR DEPARTMENT
JWL/W

June 27, 1941.

Subject: Information.

REC'D-G-2 JUL 8 1941
To: A. C. of S., G-2, War Department, Washington, D.C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

Within the past twenty-four hours there have been rumors of a possible Cabinet shake-up with the possible resignations of Ministers who are suspected of pro-Fascist leanings. It is stated in political circles that this is the direct result of change in Foreign Ministers - that Dr. Ruiz Guinazu was impressed while in the United States by the Nazi infiltration before the government took drastic steps to curb it, and he proposes to have 100% democratic ministers in Argentina. The resignations rumored are those of Ministers known to be "Justo men," and the two mentioned as first on the list are Drs. Rothe (Justice and Public Instruction) and Acevedo (Finance).

2. Economic.

No change.

3. Loyalty of Armed Forces.

Following a meeting that was held at Circulo Militar (Army Officers Club) four general officers called on Minister of War General Tonazzi yesterday and in the name of their brother officers placed their unanimous solidarity with the Government in its present move to fight the Totalitarian menace.

4. Subversive Activities.

The Congressional Committee named last week to probe into Nazi and Fascist activities directed against Argentina (See "Information" June 20) has been holding daily sessions and examining witnesses. Among these were the manager of Transocean (German news and propaganda agency) von Simons who has been an Argentine citizen by naturalization for twenty years, is married to an Argentine woman and has native born Argentine children. The chairman of the committee has been in telephonic communication with Representative Martin Dies and will be furnished copies of Dies Committee reports.

5. General Stability.

No change.

Sanctuary
John W. Lang,
Colonel, Inf.,
Military Attaché.

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JUL 18 1941
OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
WAR DEPARTMENT
JWL/W

July 5, 1941.

Subject: Information.

To: ~~SECRET~~-G-2 JUL 17 1941
A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

No change.

2. Economic.

No change.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

The Congressional Committee investigating anti-Argentine activities made a series of raids on suspected Nazi quarters in several parts of Buenos Aires this week and gathered in much subversive literature as well as holding several Nazi adherents for questioning. These raids had the effect, according to press reports, of Nazis, Fascists and Spanish Falangists getting together into one group to protect themselves from the Argentine investigators. The Argentine nationalists, also a Right group, were also present at the meeting. It is the plan of this united Rightest organization to start a counter offensive against the investigators. After these first raids, which were made without any warrants, Minister of Interior Culaciati gave police instructions that they could make no more such raids without securing search warrants. To this the chairman of the investigating committee replied that the raids would continue and that its own police would be used if the regular ones were unavailable.

5. General Stability.

No change.

John W. Lang
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Colonel, Inf.,
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RECEIVED
JUL 11 1941
2657-L-141
JWL/w
WAR DEPARTMENT

July 11, 1941.

Subject: Information.

REC'D-G-2 JUL 28 1941
To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

No change.

2. Economic.

No change.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

Due to the National Holiday, July 9th, there have been few meetings of the Congressional Committee investigating anti-Argentine this week. Most government activities have been at a standstill.

5. General Stability.

No change.

John W. Lang
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Colonel, Inf.,
Military Attaché.

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BUENOS AIRES, ARGENTINA.

JUL 31 1941
OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2651-277
JUL 31 1941
WAR DEPARTMENT

July 18, 1941.

REC'D-G-2 JUL 31 1941

Subject: Information.

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

1. Political.

Foreign Minister Guizazú told a meeting of the Senate held in secret yesterday that Argentina must rise above party interests in "upholding and demanding respect for our sovereignty, freedom and independence by defending our Republican institutions." This statement was made during a discussion of the various protests received or lodged by the Argentine Government in connection with the European War. He also stated that Argentina should promote continental solidarity in a constructive form, upholding peace and union between the American republics, cooperating economically and financially towards the consolidation of the common inter-American ideals.

2. Economic.

No change.

3. Loyalty of Armed Forces.

General Juan Batista Molina, retired, well known for his totalitarian sympathies, is to be tried, with several others of like faith, for "inciting to revolt", according to the press. It is stated that the trial will be ordered by Judge Miguel Jantus, and that Molina and a group of civilians carried out evident Fascist activities during last December and January. These activities are said to have been disguised to appear as supporting the present Government.

4. Subversive Activities.

Minister of Interior Culaciati in a statement made before the Constitutional Affairs Committee of the Chamber of Deputies July 17th stated: "We are not blindfolded. We know that our political situation is being undermined, together with our constitutional structure." The Minister was explaining why he had ordered the police not to search buildings at the instigation of the congressional committee investigating anti-Argentine activities unless search warrants had previously been issued. He stated that the Committee should act within the limits prescribed by the National Constitution, as it was hardly advisable to destroy the self-same guarantees which it was desired to protect.

5. General Stability.

John W. Lang, Col. Inf.,
Military Attache

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

2657-L-141

July 25, 1941

NEW DEPARTMENT

Subject: Information.

REC'D-G-2 AUG 5 1941

To: A. C. of S., G-2, War Department, Washington, D. C.
(Ref. G-2/2651-277, Jan. 21, 1941).

2657-L-141

1. Political.

No change.

2. Economic.

For the first six months of 1941 the United States took first place as a buyer of Argentine products, replacing the United Kingdom in this respect. In 1941, the United States took 36% of Argentine exports and Britain took 32%. In 1940, exports to the United States were only 13.5% and to the United Kingdom were 35.7%. During this period, exports to Germany, Italy, and other occupied European countries was practically nothing.

3. Loyalty of Armed Forces.

No change.

4. Subversive Activities.

The discovery of the Nazi plot in Bolivia to overthrow their government and the expulsion of the head of the German Diplomatic Mission has lent an impetus to the investigations in Argentina by the Congressional Committee which is probing anti-Argentine activities. As previously reported, Minister of Interior Culaciati told the legislators that raids on suspected Nazi headquarters should be done in a lawful manner by the procuring of a search warrant. Adopting this procedure, on July 24th the Committee which is headed by Deputy Damonte Taborda secured a search warrant from Judge Vasquez and staged a spectacular raid on the headquarters of the local Nazis located in the Banco Germánico de la América del Sud, the top floor of which building houses the German Embassy. The police and court employees sequestered several tons of documents which are now being translated by court employees. No arrests were made in connection with the raid, but such are considered likely within a few days after the evidence has been sifted.

5. General Stability.

No change.

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John W. Lang
John W. Lang, Col., G.S.C.,
Military Attaché